

By: Nichols

S.B. No. 1500

A BILL TO BE ENTITLED

AN ACT

relating to powers and duties of navigation districts and the boards of trustees of municipal port facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 60.403, Water Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A port commission, an authorized designated officer of the port commission, the executive director of the district or the port authority, or an authorized representative of the executive director may make routine purchases or contracts in an amount not to exceed \$50,000, provided that a port commission may delegate authority to an authorized designated officer of the port commission, the executive director of the district or the port authority, or an authorized representative of the executive director to make routine purchases or contracts in an amount not to exceed \$100,000.

SECTION 2. Section 60.4035(a), Water Code, is amended to read as follows:

(a) Notwithstanding the competitive bidding requirements and proposal procedures of this subchapter and Subchapter O and the requirements of Sections 60.408(a), (b), (c), (d), and (e), the executive director of a district or an officer of a district authorized in writing by the port commission may make emergency

1 purchases or contracts or emergency amendments to existing purchase  
2 orders or contracts in an amount that exceeds the amount authorized  
3 under Section 60.403(a) for routine purchases or contracts if  
4 necessary:

5 (1) to preserve or protect the public health and  
6 safety of the residents of the district;

7 (2) to preserve the property of the district in the  
8 case of a public calamity;

9 (3) to repair unforeseen damage to the property of the  
10 district; ~~or~~

11 (4) to respond to security directives issued by:

12 (A) the federal Department of Homeland Security,  
13 including the Transportation Security Administration;

14 (B) the United States Coast Guard;

15 (C) the federal Department of Transportation,  
16 including the Maritime Administration; or

17 (D) another federal or state agency responsible  
18 for domestic security; or

19 (5) to respond to an emergency related to (A) supply  
20 chain disruptions or shortages or (B) other disruptions or  
21 stoppages of the operations of the district, which does not permit  
22 the delay incident to the competitive process, or undue cost,  
23 without harm to the welfare of the district.

24 SECTION 3. Section 60.412(a), Water Code, is amended to  
25 read as follows:

26 (a) A contract for a purchase is exempt from the competitive  
27 bidding requirements and proposal procedures of this subchapter and

1 Subchapter O if a contract is for the purchase of:

2 (1) an item that must be purchased in a case of public  
3 calamity if it is necessary to make the purchase promptly to relieve  
4 the necessity of the citizens or to preserve the property of the  
5 district or port authority;

6 (2) an item necessary to preserve or protect the  
7 public health or the safety of the residents of the district or port  
8 authority;

9 (3) an item made necessary by unforeseen damage to the  
10 property of the district or port authority;

11 (4) a personal or professional service;

12 (5) any work performed and paid for by the day as the  
13 work progresses;

14 (6) any land or right-of-way;

15 (7) an item that can be obtained only from one source,  
16 including:

17 (A) items for which competition is precluded  
18 because of the existence of patents, copyrights, secret processes,  
19 or natural monopolies;

20 (B) films, manuscripts, or books;

21 (C) public utility services; and

22 (D) captive replacement parts or components for  
23 equipment;

24 (8) any item necessary to secure a district or port  
25 authority during a period of heightened security as determined by:

26 (A) the federal Department of Homeland Security,  
27 including the Transportation Security Administration;

- 1 (B) the United States Coast Guard;
- 2 (C) the United States Bureau of Customs and  
3 Border Protection;
- 4 (D) the Federal Bureau of Investigation;
- 5 (E) the federal Department of Transportation,  
6 including the Maritime Administration; or
- 7 (F) another federal, state, or local agency; ~~or~~
- 8 (9) an item from the United States, including any  
9 agency thereof, or from this state, including an agency of this  
10 state; or
- 11 (10) to respond to an emergency related to (A) supply  
12 chain disruptions or shortages or (B) other disruptions or  
13 stoppages of the operations of the district, which does not permit  
14 the delay incident to the competitive process, or undue cost,  
15 without harm to the welfare of the district.

16 SECTION 4. Subchapter Q, Chapter 60, Water Code, is amended  
17 by adding Sections 60.503 and 60.504 to read as follows:

18 Sec. 60.503. COMMUNITY PROGRAMS. (a) In this section:

19 (1) "Historically underutilized business" has the  
20 meaning assigned by Section 2161.001, Government Code.

21 (2) "Local business" means a business concern with a  
22 principal place of business in the local area of a district, as  
23 determined by the port commission.

24 (3) "Small business" has the meaning assigned by  
25 Section 5.135(g).

26 (b) To stimulate business and commercial activity within a  
27 district, a district may develop and administer a program to:

1           (1) develop small businesses or historically  
2 underutilized businesses;

3           (2) promote or advertise the district; or

4           (3) improve the extent to which local businesses,  
5 small businesses, and other historically underutilized businesses  
6 are awarded district contracts.

7           (c) To develop or administer a program under this section, a  
8 district may:

9           (1) contract with another entity;

10          (2) use district funds or employees; and

11          (3) accept contributions, gifts, or other resources.

12          (d) A program established under this section may set  
13 contract percentage goals for participation by local businesses,  
14 small businesses, and historically underutilized businesses in  
15 public contract awards by the district.

16          Sec. 60.504. RIGHT TO REJECT ALL BIDS. A district that  
17 requests bids or proposals under any of the methods provided by this  
18 chapter may reject any and all bids or proposals submitted.

19          SECTION 5. Section 62.106(e), Water Code, is amended to  
20 read as follows:

21          (e) A district created under this chapter may elect to take  
22 advantage of the condemnation procedure provided in Chapter 21,  
23 Property Code [~~Subchapter F of Chapter 51 of this code~~].

24          SECTION 6. Section 62.120(a), Water Code, is amended to  
25 read as follows:

26          (a) A district may enter into operating contracts and leases  
27 with cities and other governmental subdivisions for the operation

1 of the portions of the district's water system which are designated  
2 by the board or the commission.

3 SECTION 7. Section 62.122, Water Code, is amended to read as  
4 follows:

5 Sec. 62.122. DISPOSITION OF SALVAGE OR SURPLUS PERSONAL  
6 PROPERTY. (a) Except as provided by Subsection (b), the  
7 commission or board of trustees under Chapter 54, Transportation  
8 Code, may periodically dispose of surplus or salvage personal  
9 property in the same manner as the commissioners court of a county  
10 under Subchapter D, Chapter 263, Local Government Code.

11 (b) The commission or board of trustees under Chapter 54,  
12 Transportation Code, may authorize:

13 (1) the destruction or disposition of salvage or  
14 surplus property as worthless if the property is so worn, damaged,  
15 or obsolete that it has no value for the purpose for which it was  
16 originally intended, and the expense to the district to attempt to  
17 sell the property would be more than the proceeds from the sale; and

18 (2) the sale of its dredge material from a dredge  
19 material placement area to any person on such terms and conditions  
20 as the commission or board of trustees considers appropriate or  
21 advantageous to the district, following any required action by the  
22 U.S. Army Corps of Engineers.

23 SECTION 8. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2023.